

Deferred Compensation Summary

Sometime in the mid-1980's the MBTA created Deferred Compensation Contracts to provide supplemental retirement income for non-exempt workers (Executives, L453, STW) in lieu of overtime and to compensate them for the lost overtime pension earnings. At that time individual contracts were issued for employees who had participated for 10 years in the Retirement Main Fund. In December, 2001 the deferred compensation plans were created and the issuance of individual contracts was halted.

Deferred Compensation is divided into 2 groups; an IRS qualified and a non-qualified plan. The Executive group is paid from the IRS qualified plan (Paygroup DCE) The L453, TEA and Steelworkers are paid from the unqualified plan (PEN).

In 2000 when the police union settled their contract there was a stipulation added to the police contract to grandfather any police officer who at that time held a position of Captain and Lieutenant or higher. There were 9 police officers who were in this category. There are currently, 6 officers receiving the benefit and an additional 3 police officers who will be eligible upon their retirement.

At some point in time, the MBTA had acquired a private transportation line named Eastern Massachusetts Street Railway. These retirees are included in the deferred compensation. There are currently 17 receiving the benefit.

Currently there are 910 retirees receiving the benefit. Listed below is the annual median and average benefit.

Retiree Group	Plan Type	Total Participants	Annual Median	Average
Non Affiliated Employees	IRS Qualified Plan (DCE)	280	\$6,112.38	\$6,067.31
L453, TEA and Steelworkers	Unqualified Plan (PEN)	630	\$5,603.82	\$6,005.54

1,696,964.5
3,783,490
5,480,454.5